

**FILED**

**JUN 11 2015**

**BEFORE THE BOARD OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
STATE OF UTAH**

**SECRETARY, BOARD OF  
OIL, GAS & MINING**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF ENEFIT AMERICAN OIL FOR AN ORDER ENLARGING THE DESIGNATED OIL SHALE AREA CREATED BY CAUSE NOS. 190-3 AND 190-13 TO INCLUDE LANDS LOCATED IN TOWNSHIPS 9 AND 10 SOUTH, RANGES 24 AND 25 EAST, SLM, UINTAH COUNTY, UTAH.

**AMENDED REQUEST FOR  
AGENCY ACTION FOR  
THE SITLA LANDS**

**Docket No. 2015-017**

**Cause No. 190-14**

Enefit American Oil ("Enefit") originally filed the Request for Agency Action in this matter on April 8, 2015, requesting that the Board of Oil, Gas and Mining (the "Board") enter an order enlarging the Designated Oil Shale Area created by Cause Nos. 190-3 and 190-13 to certain federal, state, and fee lands. This matter came before the Board on Wednesday, May 27, 2015, at approximately 9:30 a.m. in the auditorium of the Utah Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah, and the Board entered an order approving the Request as to the federal and fee lands. This matter was continued as to the lands owned by the State of Utah, identified in the Request for Agency Action as the SITLA Leases.

Enefit, by and through its attorneys, Holland & Hart LLP, pursuant to Utah Admin. Code R649-3-31(2), hereby files this Amended Request for Agency Action (the "Amended Request") asking the Board to enter an order enlarging the Designated Oil Shale Area created by Cause Nos. 190-3 and 190-13 as to the following State of Utah lands:

**a. SITLA Leases ML-49104, ML-49105, ML-49106:**

Township 9 South, Range 25 East, SLM

Section 19: S $\frac{1}{2}$

Section 30: Lots 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15, N $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$

Section 31: Lots 1,2,3, SW $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , S $\frac{1}{2}$

Section 28: S $\frac{1}{2}$

Section 33: Lots 1,2,3,4,5, NE $\frac{1}{4}$ , N $\frac{1}{2}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$

Township 10 South, Range 24 East, SLM

Section 1: Lots 1,2,3,4,5, SE $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ S $\frac{1}{2}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ ,  
SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$

(the "Subject Lands").

Enefit and T-K Production Company, an oil and gas lessee in a portion of the Subject Lands, ("T-K") have entered into a Cooperative Development Agreement dated effective June 19, 2014 (the "CDA"), covering, among other lands, the lands subject to the SITLA Leases described in a. above, with the exception of Lots 1-5, SE $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ S $\frac{1}{2}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ , and the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 1, Township 10 South, Range 24 East, SLM. Enefit and T-K have agreed to add these Section 1 lands to the CDA upon issuance of an oil and gas lease to T-K pursuant to ML-900007-OBA. Given the existence of the CDA, this Amended Request modifies the original Request by asking the Board to explicitly recognize that the CDA, insofar as it covers the Subject Lands, will supersede any order of the Board issued pursuant to this Amended Request for T-K and its successors and assigns.

In support of its Amended Request, Enefit respectfully states and represents that:

1. Enefit is a Delaware Corporation in good standing, with its principal place of business in Salt Lake City, Utah. Enefit is qualified to do business in Utah and is fully and appropriately bonded with all Federal and State of Utah agencies.
2. The Board has jurisdiction over the parties and of the subject matter of this Amended Request pursuant to Utah Code Ann. § 40-6-1, *et seq.*
3. Enefit is currently in the process of developing a commercial oil shale project in Uintah County, Utah.
4. The oil shale in the Subject Lands are leased 100% by Enefit or its subsidiary, EAO State Leases, LLC.
5. As of June 8, 2001, the Board adopted specific standards for individual oil shale areas by Orders in Cause Nos. 190-3 and 190-13. In particular, the order in Cause No. 190-13 enlarged the Designated Oil Shale Area created by Cause No. 190-3.
6. Since 2001, when the previous Board orders were issued, Enefit has acquired additional lands in Uintah County. On May 27, 2015, the Board added the federal and state lands acquired by Enefit to the Designated Oil Shale Area from Cause Nos. 190-3 and 190-13.
7. To date more than 30 core holes have been drilled on the project area, indicating the presence of substantial and valuable oil shale resource, and a formal Resource Report has been prepared by Norwest Corporation confirming the deposit.

8. As indicated in R649-3-31(2) of the Utah Administrative Code, "Lands may be designated as an oil shale area by the board, either upon its own motion, or upon the petition of an interested person following notice and hearing." As an interested person, Enefit is requesting that the Board enlarge the Designated Oil Shale Area created by Cause Nos. 190-3 and 190-13 to include the Subject Lands. Enefit is requesting that the Subject Lands be subject to the same standards adopted in Cause Nos. 190-3 and 190-13, subject to Paragraph 9 below.

9. Enefit and T-K have entered into the CDA, covering, among other lands, the lands subject to the SITLA Leases described in a. above, with the exception of Lots 1-5, SE $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ S $\frac{1}{2}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ , and the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 1, Township 10 South, Range 24 East, SLM. Enefit and T-K have agreed to add the Section 1 lands to the CDA upon issuance of an oil and gas lease to T-K. Enefit requests that the Board explicitly recognize that the CDA, insofar as it covers the Subject lands, will supersede any order of the Board issued pursuant to this Amended Request for T-K and its successors or assigns.

10. Enefit is filing, concurrent with this Amended Request, a separate certificate of mailing which lists all persons known to Enefit whose legally protected interests in the Subject Lands will be affected by this Amended Request, together with their last known addresses.

**WHEREFORE**, Enefit respectfully requests that:

1. This Amended Request be heard at the regularly scheduled meeting of the Board on June 24, 2015.

2. Following said hearing, the Board enter an order:

- (a) Enlarging the Designated Oil Shale Area created by Cause Nos. 190-3 and 190-13 to cover the Subject Lands;
- (b) Imposing the same standards adopted in Cause Nos. 190-3 and 190-13 to the Subject Lands, subject to (c) below;
- (c) Acknowledging that the CDA, insofar as it covers the Subject Lands, supersedes any order of the Board as to T-K and its successors and assigns;
- (d) Providing that oil and gas operators must comply with the provision of Utah Admin. Code R649-3-31;
- (e) Making such findings and orders in connection with this Amended Request as it deems necessary; and
- (f) Providing for such other and further relief as may be just and equitable under the circumstances.

Respectfully submitted this 11th day of June, 2015.

**ENEFIT AMERICAN OIL**

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